



## MAINE STEP-UP PROGRAM AGREEMENT

### Leadership Track

### Guilford of Maine

#### PURPOSE

The greatest challenge of the 21<sup>st</sup> century will be using earth's resources in sustainable ways to meet human needs. Through its own natural cycles, the earth provides clean water and air, fertile soils, and a myriad of plants and animals, all of which are essential to sustain life. We must find ways of producing products and providing services that model nature's cyclical design and sustain its productive capacities. In fact, where we can we must restore those capacities diminished by past misuse.

Environmental regulatory programs of the last 30 years have done much to clean and protect our waters, air and land. Now, new approaches to environmental protection are needed if continuous improvements are to be realized.

The Maine Department of Environmental Protection and Guilford of Maine have agreed to explore new ways of protecting the environment that go beyond regulatory compliance. Guilford of Maine commits to continuously improve its business practices to protect people and the environment. Guilford of Maine will publicly report on its progress to inspire other businesses to seek improvement in their own environmental performance.

The Maine Department of Environmental Protection commits to vigorously assist Guilford of Maine on its "climb up the mountain"—accepting the challenge—to find environmentally sustainable ways of doing business. The Goals Toward Sustainability set forth in Section 2. B. in this agreement are for the "Pathways" described in the "Climbing the Mountain" diagram found in the Department's A Guide for Your Business: Smart Production and the Maine Step-Up Program.

## 1. INTRODUCTION

Guilford of Maine (hereinafter referred to as GOM) is a subsidiary of Interface, Inc. Interface and all its subsidiary companies are committed to the journey toward sustainable manufacturing. The primary products of GOM's business are finished woven fabric for commercial and residential interiors, and dyed fiber for future use in weaving fabric at non-Guilford facilities.

GOM operates three textile-manufacturing facilities in Maine (two in Guilford, and one in Newport), and one manufacturing facility in Massachusetts. These four facilities are integral to producing the primary products of the GOM business, and thus are included in the scope of the Step-Up Program. Although GOM tracks metrics for the four facilities combined, for the purposes of this agreement, the metrics will be based on the three Maine manufacturing facilities.

On the journey toward sustainability, GOM embraces programs such as the Maine Step-Up Program and EPA's Performance Track Program as opportunities to further GOM's sustainability efforts. GOM commits to the Maine Department of Environmental Protection to strive toward sustainability goals for its business with the assistance of the Department, which will provide technical services and recognition for achievements made by GOM under the Step-up Program Agreement during its three-year term. The Department will assign a senior staff person to work with GOM during the design and implementation of the agreement.

## 2. PERFORMANCE COMMITMENTS

### A. Environmental Business Practices

- **Compliance Status** -- GOM is regulated by both state and federal environmental regulatory agencies. The three Maine facilities currently hold the following environmental permits: Maine DEP Air Emissions Permits (A-367-74-C-M/R and A-367-71-E-M), Agreement to Discharge Wastewater to Guilford Sangerville Sanitary Districts, Stormwater Multi-Sector Permit (MER05A820, MER05A821, MERNEA608), Biomedical Waste Generator Permit (2145), Site Location of Development Permit (L014182-26-B-M, L-18848-26-A-N), EPA Hazardous Waste Activity Notification (Facility Number ED001094309).
- **Environmental Management Pathway To Sustainability** – In 1998 and 1999, GOM instituted an Environmental Management System (EMS) to control the environmental impacts of its textile manufacturing facilities in Guilford, Maine and East Douglas, Massachusetts, respectively. The EMSs were developed by GOM associates from all levels of the facility. An

Environmental Task Force and other employees comprised of various associates at all levels of the organization maintain the EMS. The purpose of the EMS is to: ensure that all environmental regulatory requirements are met; ensure that the environmental policy is understood, implemented, and maintained at all levels; to assess the magnitude and significance of all environmental aspects (aspects is a term of art used in ISO 14001 standards to refer to environmental issues and impacts) arising from the company's activities; and to set clear environmental objectives and targets for environmental improvement. Both of the EMSs developed to date have been certified as compliant with the ISO 14001 Environmental Management Standard by Underwriters Laboratory (UL Registration Numbers A7289 and A8366). Both facilities have remained in continuous certification since the original registration.

- **Workers and Community Pathway To Sustainability** – It is the policy of Guilford of Maine to manage the company's activities in ways which reduce their impact on the environment. As such, environmental considerations, responsibility, and accountability are prime concerns for all associates. All employees have received sustainability training to enhance and reinforce GOM's vision of sustainability. All GOM associates are engaged in a program called "QUEST", which stands for Quality Utilizing Employee Suggestions and Teamwork. There are active QUEST teams in all GOM facilities focusing on achieving GOM's vision of sustainability by eliminating waste, creating only benign emissions, using renewable energy, closing the loop on waste, using resource efficient transportation, and by other means. The EcoSense program is a well-defined point system that rewards business units when objectives are reached by recognizing leading business units and compensating salaried employees. EcoMetrics is the means by which GOM tracks progress toward sustainability in a clear and concise while identifying opportunities that still lie ahead.

GOM has established a Community Advisory Committee comprised of key business leaders, government leaders, and neighbors in the community to advise GOM on environmental aspects, impacts, objectives, targets, priorities and initiatives. GOM will continue to utilize this forum for community feedback during the term of the Step-Up Agreement and will invite the DEP Step-Up coordinator to the meetings.

## **B. Goals Toward Sustainability**

- **Energy Pathway** - GOM's Energy Pathway consists of two important components: energy conservation and renewable energy. GOM commits to reduce total energy consumption (both thermal and electrical) per linear yard of woven fabric by an additional ten percent from its 2001 baseline. (This additional ten percent reduction is above the approximately thirty percent that GOM has achieved against a 1996 baseline.) This will be accomplished

through increased investment in efficiency in dye house operations and additional conservation measures.

GOM is also pursuing renewable energy options for the electrical energy consumed by the manufacturing operations. GOM defines renewable energy to include wind, solar, hydro, and wood/biomass. The thermal energy consumed is approximately 95% renewable through the utilization of waste wood and biomass. Electrical energy purchased by GOM is approximately 19% renewable as defined by GOM to include wind, solar, hydro, and wood/biomass. GOM commits to purchasing an additional 10% renewable electrical energy beyond the 2001 baseline by April 2005. These goals represent stretch goals for GOM therefore specific measures by which these goals will be reached are not yet identified. However, GOM embraces these goals with enthusiasm.

- **Toxics Pathway To Sustainability** – GOM manufactures textile fabrics from mostly polyester fiber. Historically, polyester was derived from virgin petroleum products. GOM pioneered a process to utilize waste plastic soda bottles to manufacture polyester fiber for textile manufacturing. This process eliminates millions of gallons of crude oil that would be required to manufacture virgin polyester. All polyester (virgin and recycled), when dyed, emits trace quantities of antimony into the wastewater. Antimony is used as a catalyst in the polymerization process during polyester and plastic manufacturing, and hence is present in the soda bottles used to create the polyester fiber. Antimony in wastewater discharges is a toxic pollutant in the earth's waters. The level of antimony in GOM's wastewater is at a level that would have a reasonable potential to exceed water quality criteria based upon the Maine DEP's current calculation methods. The long-term solution is the replacement of antimony with a more environmentally friendly catalyst in the polymerization process; however, this objective is beyond the scope of GOM's direct control and the time period for this agreement. In the interest of solving the problem at its source, GOM has completed a laboratory analysis to understand the potential options of removing and/or reducing antimony from its wastewater. GOM commits to reducing the concentration of antimony in its effluent by 25%, which, based on Maine DEP analysis, is beyond what is required for compliance with the State's water toxic regulations. However, these regulations are in the process of being revised. If this level of reduction is not beyond compliance, when that revision is complete, GOM commits to adjust this goal to achieve a level that is beyond compliance. Antimony reduction in the process wastewater will be accomplished by performing field trials to validate the laboratory analysis already performed by GOM and subsequent installation of process equipment to implement the treatment system.
- **Environmental Management Pathway To Sustainability** – GOM proposes to develop and implement an ISO14001 compliant environmental

management system at the Saulters manufacturing facility during the term of this agreement. The facility will receive registration to the ISO 14001 Standard by Underwriters Laboratory. Because of the proximity of the Saulters facility to the Guilford facility, and the degree to which the operations are related, the Saulters facility may be incorporated under the Guilford facility's registration once approved by Underwriter's Laboratory and each facility will continue to be audited to maintain registration.

- **Product to Service Pathway To Sustainability** – GOM proposes two goals for this pathway. The first is to introduce into the market a bio-based textile fabric that is compostable at the end of its useful life. To accomplish this goal, GOM has embarked on a process to solve the technological and financial hurdles of using bio-based fiber in the development of textile fabrics for commercial interiors. As this is ground breaking territory on the journey to sustainability, the hurdles and their solutions are largely unknown. However, the company has committed talented resources to overcoming these hurdles.

The second goal is to determine the commercial viability of a fabric “take-back” program. This too, is ground breaking territory on the journey to sustainability. For this goal, GOM will complete the technological and financial assessments and determine the commercial viability of a fabric “take-back” program for commercial interiors. The work product will be a determination of commercial viability and, if viable, delineate a path forward for implementation.

## C. Measurement Methods

### Reporting Progress

GOM will use bar graphs to depict quarterly (for each current year) and annual (for each complete year) progress toward the following goals:

- **Energy Pathway To Sustainability** -- Energy consumption will be measured based on per linear yard of woven fabric. Renewable energy used will be measured as percent renewable electrical energy purchased.
- **Toxics Pathway To Sustainability** -- Reduction in antimony in wastewater will be measured as percent reduction in antimony concentration.

GOM will utilize text progress reports for the following goals:

- **Environmental Management Pathway To Sustainability** -- Achieving ISO 14001 Certification of the Saulters facility.

- **Product to Service Pathway To Sustainability** -- Introduction of a bio-based compostable fabric into the market place and determination of the commercial viability of a fabric “take-back” program.
- **Workers and Community Pathway To Sustainability** – GOM will continue with the associate and community involvement activities described in Section 2. A above during the term of this agreement. GOM will routinely communicate progress toward meeting its Step-Up goals to employees via company bulletin boards and newsletters. GOM will include communication of Step-Up goals and progress in its semi-annual community advisory meetings.

#### **D. Public Involvement**

GOM will communicate Step-Up goals and progress in semi-annual community advisory meetings and utilize these meetings to receive feedback on its sustainability initiatives.

Interface Inc., currently maintains a sustainability website for publicly communicating the company’s progress toward sustainability. This website is located at [www.interfacesustainability.com](http://www.interfacesustainability.com). GOM's Ecometrics results are posted on this site. GOM will expand the website to include information on the Company’s sustainability goals under the Step-Up program during the term of this agreement.

#### **E. Mentoring**

As part of its journey toward sustainability, GOM continues to make itself available to all parties interested in joining the journey. GOM has participated in numerous forums to discuss sustainability and its initiatives. To support mentoring under the Step-Up program, GOM proposes to host a sustainable manufacturing forum for Maine businesses. This forum, which is yet to be designed, would include information-sharing sessions on sustainability initiatives, successes and challenges, and will also include a facility tour to demonstrate some of GOM’s successes and challenges. GOM will request the Maine DEP to suggest participants and will also invite all Step-Up Program members, as well as local businesses to the forum. GOM agrees to mentor one interested company for the term of this agreement upon mutual agreement between GOM and the yet to be identified company.

#### **F. Relationship**

GOM will work with the Maine DEP to achieve its sustainability goals by identifying specific regulatory issues that stand in the way of achievement and work to find mutually agreeable solutions to these issues.

GOM requests that its DEP Step-Up Program contact attend quarterly Step-Up program meetings, at which progress toward sustainability goals will be discussed and adjustments made to GOM's performance goals as necessary.

Maine DEP will make staff available to GOM for technical and regulatory assistance. This assistance will be provided consistent with existing State law and agency policy.

Maine DEP expects to forego civil penalties for certain types of first-time violations discovered in the process of providing assistance or disclosed as a result of compliance audits performed by GOM when GOM corrects the non-compliant condition within the shortest practicable time period, and in all cases within 90-days of discovery. Violations excluded from this provision are those listed in Maine DEP's Small Business Compliance Incentives Policy, Section III (as amended February 14, 1996) and its Supplemental Environmental Projects Policy, Section V (as amended June 15 2000). Regular or necessary compliance inspections performed as part of day-to-day business at Maine DEP are not subject to these provisions.

### **G. Recognition**

Maine DEP will recognize GOM's participation in the Step-Up Program by including specific information on the *Smart Production/Step-Up Web Page* maintained by the State, and in press releases from time-to-time to keep the general public informed of GOM's status in the program. GOM will also receive a Governor's Award for Environmental Excellence without the need for application when any *Sustainability Goal* detailed in this agreement is achieved.

## **3. REPORTING**

GOM will submit quarterly progress reports to the Maine DEP citing accomplishments toward achieving sustainability goals. The reports will utilize the reporting format described in Section 2. C above.

Maine DEP will report quarterly to GOM on its progress toward meeting its commitments outlined in Section 2. F above.

## **4. TERMINATION**

Either party to this Agreement may terminate the participation of GOM in the Step-Up Program with 30-days notice to the other party.

WITNESS here today, July 22, 2002, that the undersigned parties enter into this agreement.

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Angus S. King, Jr., Governor State of Maine

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Paul Paydos, Vice President  
Technical Services, Interface Fabrics, Inc.